106-06528/

# HOUSING NOW

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## Starts declined in 2005

### Weakness in the fourth quarter

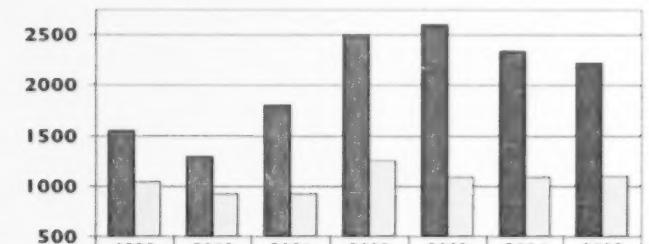
Total housing starts in the fourth quarter declined 3.4 per cent when compared to the same period in 2004. The decline in starts activity was primarily focused on a 17.5 per cent decline in Newfoundland-Labrador and some softness in New Brunswick where starts were down 1.2 per cent in the fourth quarter.

Urban starts dropped 5.1 per cent in the fourth quarter. This is due to the significant declines in St John's (-19 per cent), and Halifax (-13 per cent). These declines were offset by a rebound of activity in Truro (+24.1 per cent), Cape Breton (+14.3 per cent), Moncton, (+13.7 per cent), and Charlotttetown (+9.6 per cent). For the full year urban starts were down 4.7 per cent in 2005.

Rural starts were stable in the fourth quarter in Atlantic Canada and up 1.3 per cent for the full year period January to December. This was primarily due to the pick-up in Nova Scotia (+8.2 per cent) in 2005.

Completions declined 11.6 per cent in the fourth quarter and under construction was up 4.4 per cent as of Dec 31, 2005. Completions dropped 14.5 per cent in 2005.

**All Area Housing Starts**
**Atlantic Canada**
**(October-December)**




| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|
| Urban | 1551 | 1295 | 1793 | 2502 | 2603 | 2334 | 2216 |
| Rural | 1048 | 930 | 931 | 1255 | 1095 | 1096 | 1099 |

Source: CMHC

## Atlantic Canada

*Fourth Quarter 2005*
*Released First Quarter 2006*

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Canada

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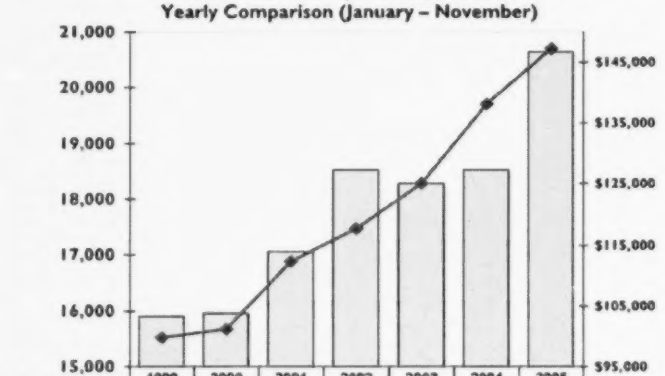
# MLS® sales continued to rise in November

MLS® sales were up 27.3 per cent in November contributing to stronger activity in 2005 (+11.4 per cent) for the period (January-November) compared to a year ago. The pick-up in sales activity in November for Nova Scotia (+34.7 per cent) and New Brunswick (+41.4 per cent) is even stronger than the resurgence in activity that has occurred since June 2005. Together Nova Scotia and New Brunswick are contributing to the overall rebound in sales actvity in Atlantic Canada in 2005.

Price growth in 2005 continues to be strong following similar trends experienced in the Atlantic housing market over the last four years. The average price (seasonally adjusted) is up 6.6 per cent overall in Atlantic Canada for November 2005 as compared to November 2004. Prices have risen 8.8 percent in 2005 over the period (January-November).

**MLS® Sales Activity – Atlantic Canada**
**Yearly Comparison (January – November)**




| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|
| MLS Sales | 15,906 | 15,955 | 17,063 | 18,532 | 18,274 | 18,520 | 20,635 |
| Avg. Price | $99,870 | $101,133 | $112,403 | $117,624 | $125,130 | $138,145 | $147,190 |

Source: Canadian Real Estate Association
MLS® Average Price: August Price for each year seasonally adjusted

In Atlantic Canada the supply of homes on the market continued to rise in the fourth quarter with listings up 19.8 per cent in November and (+12.3 per cent) for the period (January to November).

The continued growth of listings is expected to dampen price growth in 2006 to less than 5 per cent as the increased supply of homes for sale will provide buyers with more choice.

# Economic factors are weakening

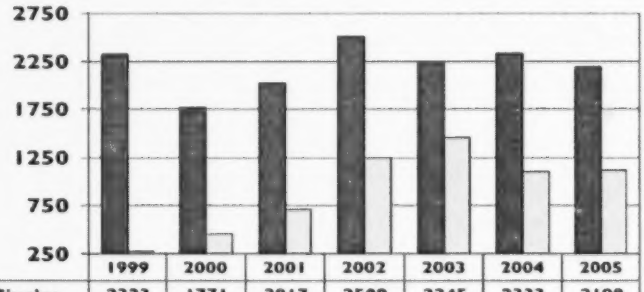
For December the labour force continued the trend of weaker growth in Atlantic Canada declining 0.1 per cent. For the full year the labour force was also down 0.1 per cent.

For the full year employment increased 0.2 per cent in 2005 with positive job creation experienced in Prince Edward Island (+2.1 per cent) and Nova Scotia (+0.5 per cent) and no change in New Brunswick partially offset by slight weakness in Newfoundland-Labrador (-0.4 per cent). The unemployment rate increased slightly to 11.1 per cent in December 2005 as compared to 10.8 per cent in December 2004.

Continued strength in the housing market has been previously bolstered by low interest rates and stability in consumer confidence.

The high Canadian dollar and higher energy costs as well as weaker job creation, and an expectation of higher rates in 2006 will result in a decline in housing activity in Atlantic Canada in 2006.

**Housing Starts by Type**
**Atlantic Canada**
**(October-December)**




| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|
| Singles | 2323 | 1771 | 2017 | 2509 | 2245 | 2333 | 2198 |
| Multiples | 276 | 454 | 707 | 1246 | 1453 | 1097 | 1117 |

Source: CMHC.

## Table 1
## Activity Summary By Area
## Atlantic

| Area | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4th Quarter | | | January-December | | | 4th Quarter | | | January-December | | | As at December 31 | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| Total Urban Areas | 2216 | 2334 | -5.1% | 8241 | 8650 | -4.7% | 2826 | 3175 | -11.0% | 7983 | 9737 | -18.0% | 4473 | 4226 | 5.8% |
| Total Rural Areas | 1099 | 1096 | 0.3% | 3853 | 3803 | 1.3% | 1353 | 1554 | -12.9% | 3759 | 3994 | -5.9% | 1640 | 1627 | 0.8% |
| Total Atlantic | 3315 | 3430 | -3.4% | 12094 | 12453 | -2.9% | 4179 | 4729 | -11.6% | 11742 | 13731 | -14.5% | 6113 | 5853 | 4.4% |

Source: CMHC

## Table 2
## Activity Summary By Area
## Prince Edward Island

| Area | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4th Quarter | | | January-December | | | 4th Quarter | | | January-December | | | As at December 31 | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| Charlottetown CA | 125 | 114 | 9.6% | 448 | 490 | -8.6% | 207 | 130 | 59.2% | 505 | 451 | 12.0% | 139 | 189 | -26.5% |
| Summerside CA | 10 | 14 | -28.6% | 106 | 113 | -6.2% | 15 | 55 | -72.7% | 89 | 132 | -32.6% | 32 | 14 | ### |
| Total Urban Areas | 135 | 128 | 5.5% | 554 | 603 | -8.1% | 222 | 185 | 20.0% | 594 | 583 | 1.9% | 171 | 203 | -15.8% |
| Total Rural Areas | 86 | 71 | 21.1% | 308 | 316 | -2.5% | 88 | 150 | -41.3% | 281 | 304 | -7.6% | 87 | 70 | 24.3% |
| Total PEI | 221 | 199 | 11.1% | 862 | 919 | -6.2% | 310 | 335 | -7.5% | 875 | 887 | -1.4% | 258 | 273 | -5.5% |

Source: CMHC

###: Year-over-year change greater than 100 per cent

## Table 3
## Activity Summary By Area
## Nova Scotia

| Area | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4th Quarter | | | January-December | | | 4th Quarter | | | January-December | | | As at December 31 | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| Halifax CMA | 587 | 675 | -13.0% | 2451 | 2627 | -6.7% | 972 | 1112 | -12.6% | 2241 | 2888 | -22.4% | 1839 | 1636 | 12.4% |
| Cape Breton CA | 56 | 49 | 14.3% | 262 | 288 | -9.0% | 54 | 60 | -10.0% | 240 | 254 | -5.5% | 58 | 46 | 26.1% |
| Kentville CA | 36 | 29 | 24.1% | 129 | 61 | ### | 51 | 13 | ### | 99 | 47 | ### | 62 | 32 | 93.8% |
| New Glasgow CA | 40 | 26 | 53.8% | 104 | 124 | -16.1% | 35 | 44 | -20.5% | 100 | 112 | -10.7% | 48 | 44 | 9.1% |
| Truro CA | 98 | 79 | 24.1% | 311 | 214 | 45.3% | 96 | 47 | ### | 311 | 225 | 38.2% | 158 | 160 | -1.3% |
| Total Urban Areas | 817 | 858 | -4.8% | 3257 | 3314 | -1.7% | 1208 | 1276 | -5.3% | 2991 | 3536 | -15.2% | 2165 | 1918 | 12.9% |
| Total Rural Areas | 443 | 385 | 15.1% | 1518 | 1403 | 8.2% | 588 | 510 | 15.3% | 1465 | 1370 | 6.9% | 737 | 1786 | -58.7% |
| Total N.S. | 1260 | 1243 | 1.4% | 4775 | 4717 | 1.2% | 1796 | 1786 | 0.6% | 4456 | 4896 | -9.0% | 2902 | 3704 | -21.7% |

Source: CMHC

###: Year-over-year change greater than 100 per cent

**Table 4**
**Activity Summary By Area**
**Newfoundland and Labrador**

| Area | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4th Quarter | | | January-December | | | 4th Quarter | | | January-December | | | As at December 31 | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| St. John's CMA | 419 | 517 | -19.0% | 1534 | 1834 | -16.4% | 480 | 436 | 10.1% | 1672 | 1663 | 0.5% | 929 | 1066 | -12.9% |
| Corner Brook CA | 23 | 30 | -23.3% | 97 | 103 | -5.8% | 25 | 28 | -10.7% | 102 | 83 | 22.9% | 44 | 48 | -8.3% |
| Gander CA | 11 | 13 | -15.4% | 72 | 62 | 16.1% | 18 | 16 | 12.5% | 76 | 47 | 61.7% | 23 | 27 | -14.8% |
| Grand Falls-Windsor CA | 13 | 35 | -65.7% | 58 | 91 | -36.3% | 14 | 24 | -41.7% | 83 | 111 | -25.2% | 19 | 44 | -56.8% |
| Labrador CA | 0 | 0 | 0.0% | 0 | 1 | -100.0% | 0 | 0 | 0.0% | 0 | 1 | -100.0% | 0 | 0 | 0.0% |
| Total Urban Areas | 465 | 595 | -21.8% | 1761 | 2091 | -15.8% | 537 | 504 | 6.5% | 1933 | 1905 | 1.5% | 1015 | 1185 | -14.3% |
| Total Rural Areas | 193 | 203 | -4.9% | 737 | 779 | -5.4% | 259 | 310 | -16.5% | 682 | 830 | -17.8% | 411 | 389 | 5.7% |
| Total N.L. | 658 | 798 | -17.5% | 2498 | 2870 | -13.0% | 796 | 814 | -2.2% | 2615 | 2735 | -4.4% | 1426 | 1574 | -9.4% |

Source: CMHC
###: Year-over-year change greater than 100 per cent

**Table 5**
**Activity Summary By Area**
**New Brunswick**

| Area | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4th Quarter | | | January-December | | | 4th Quarter | | | January-December | | | As at December 31 | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| Bathurst CA | 15 | 11 | 36.4% | 55 | 56 | -1.8% | 19 | 31 | -38.7% | 57 | 70 | -18.6% | 17 | 19 | -10.5% |
| Campbellton CA | 16 | 5 | ### | 46 | 16 | ### | 28 | 4 | ### | 33 | 16 | ### | 17 | 4 | ### |
| Edmundston CA | 5 | 22 | -77.3% | 46 | 66 | -30.3% | 26 | 42 | -38.1% | 52 | 74 | -29.7% | 9 | 15 | -40.0% |
| Fredericton CA | 257 | 254 | 1.2% | 792 | 803 | -1.4% | 287 | 290 | -1.0% | 751 | 878 | -14.5% | 322 | 282 | 14.2% |
| Miramichi CA | 10 | 6 | 66.7% | 38 | 34 | 11.8% | 10 | 10 | 0.0% | 39 | 30 | 30.0% | 15 | 16 | -6.3% |
| Moncton CA | 348 | 306 | 13.7% | 1191 | 1151 | 3.5% | 303 | 647 | -53.2% | 980 | 2127 | -53.9% | 577 | 367 | 57.2% |
| Saint John CA | 148 | 149 | -0.7% | 501 | 516 | -2.9% | 186 | 186 | 0.0% | 553 | 528 | 4.7% | 165 | 217 | -24.0% |
| Total Urban Areas | 799 | 753 | 6.1% | 2669 | 2642 | 1.0% | 859 | 1210 | -29.0% | 2465 | 3723 | -33.8% | 1122 | 920 | 22.0% |
| Total Rural Areas | 377 | 437 | -13.7% | 1290 | 1305 | -1.1% | 418 | 584 | -28.4% | 1331 | 1490 | -10.7% | 405 | 433 | -6.5% |
| Total N.B. | 1176 | 1190 | -1.2% | 3959 | 3947 | 0.3% | 1277 | 1794 | -28.8% | 3796 | 5213 | -27.2% | 1527 | 1353 | 12.9% |

Source: CMHC
###: Year-over-year change greater than 100 per cent

**Table 6**
**MLS® Sales Activity**
**Atlantic Summary**

| Area | UNIT SALES (Number of Units) | | | | | | LISTINGS | | | | | | AVERAGE PRICE ($000's) (S.A.) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | November (S.A.) | | | January-November | | | November (S.A.) | | | January-November | | | November (S.A.) | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| Prince Edward Island | 119 | 139 | -14.4% | 1351 | 1365 | -1.0% | 258 | 213 | 21.1% | 2725 | 3508 | -8.7% | 127.6 | 120.3 | 6.1% |
| Nova Scotia | 966 | 717 | 34.7% | 9821 | 8491 | 15.7% | 1599 | 1359 | 17.7% | 17632 | 15727 | 12.0% | 166.7 | 157.1 | 6.1% |
| Newfoundland-Labrador | 281 | 266 | 5.6% | 2984 | 3018 | -1.1% | 610 | 499 | 22.2% | 6534 | 5776 | 13.1% | 138.6 | 133.5 | 4.0% |
| New Brunswick | 632 | 447 | 41.4% | 6479 | 5646 | 14.8% | 1102 | 907 | 21.5% | 11914 | 10534 | 13.1% | 124.8 | 116.5 | 7.1% |
| Atlantic | 1998 | 1569 | 27.3% | 20635 | 18520 | 11.4% | 3569 | 2978 | 19.8% | 38795 | 34545 | 12.3% | 147.2 | 138.1 | 6.6% |

Source: Canadian Association of Real Estate
MLS® is a registered trademark of the Canadian Real Estate Association
S.A. : Seasonally Adjusted

## Table 7
## Employment
## Atlantic Summary

| Area | LABOUR FORCE (000's) | | | | | | EMPLOYMENT (000's) | | | | | | UNEMPLOYMENT RATE % | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | December (S.A.) | | | January-December | | | December (S.A.) | | | January-December | | | December (S.A.) | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| Prince Edward Island | 76.8 | 76.7 | 0.1% | 76.3 | 75.2 | 1.5% | 68.4 | 68.7 | -0.4% | 68.1 | 66.7 | 2.1% | 10.9 | 10.4 | 4.8% |
| Nova Scotia | 482.5 | 486.6 | -0.8% | 484.2 | 484.4 | 0.0% | 441.5 | 443.4 | -0.4% | 443.6 | 441.6 | 0.5% | 8.5 | 8.9 | -4.5% |
| Newfoundland-Labrador | 249.8 | 252.2 | -1.0% | 252.7 | 255 | -0.9% | 211.1 | 216 | -2.3% | 214.3 | 215.2 | -0.4% | 15.5 | 14.4 | 7.6% |
| New Brunswick | 394.1 | 389.4 | 1.2% | 388.0 | 388.3 | -0.1% | 356.2 | 352.9 | 0.9% | 350.4 | 350.4 | 0.0% | 9.6 | 9.4 | 2.1% |
| Atlantic | 1203.3 | 1204.9 | -0.1% | 1201.2 | 1203.9 | -0.1% | 1077.2 | 1081 | -0.4% | 1076.4 | 1073.9 | 0.2% | 11.1 | 10.8 | 2.8% |

Source: Statistics Canada - Labour Force Survey
S.A. : Seasonally Adjusted

## Table 8
## Key Provincial Economic Indicators

| Area | RETAIL SALES (Millions of Dollars) | | | | | | BUILDING PERMITS (Millions of Dollars) | | | | | | POPULATION (000's) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | October($ A.) | | | January-October | | | November($ A.) | | | January-November | | | 4th Quarter 2005 | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| Prince Edward Island | 117.1 | 117.2 | -0.1% | 1168 | 1139 | 2.5% | 21.6 | 22.4 | -3.6% | 232 | 211 | 9.8% | 138.3 | 137.8 | 0.4% |
| Nova Scotia | 887.8 | 875.4 | 1.4% | 8595 | 8411 | 2.2% | 95.6 | 107.2 | -10.8% | 1124 | 1071 | 4.9% | 938.1 | 938.8 | -0.1% |
| Newfoundland-Labrador | 496.6 | 485.7 | 2.2% | 4787 | 4665 | 2.6% | 33.1 | 43 | -23.0% | 478 | 483 | -0.8% | 515.6 | 517.1 | -0.3% |
| New Brunswick | 705.1 | 662.3 | 6.5% | 6849 | 6481 | 5.7% | 59.2 | 59.6 | -0.7% | 801 | 769 | 4.1% | 751.7 | 752.3 | -0.1% |
| Atlantic | 2207 | 2141 | 3.1% | 21379 | 20696 | 3.3% | 209.5 | 232.2 | -9.8% | 2635.1 | 2534 | 4.0% | 2343.7 | 2346.0 | -0.1% |

Sources:
Statistics Canada - Monthly Retail Sales Survey
Statistics Canada - Monthly Building Permits Survey
Statistics Canada - Quarterly Population Survey
S.A. : Seasonally Adjusted
##: Year-over-year change greater than 100 per cent

## Table 9
## Other Financial and Economic Indicators

| INDICATOR | December | | | January-December | | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| Cdn Dollar Foreign Exchange in ($U.S.) | 0.86 | 0.82 | 5.0% | 0.83 | 0.77 | 7.3% |
| Five Year Mortgage Rate (%) | 6.30% | 6.05% | 4.1% | 5.99% | 6.23% | -3.9% |
| Index of Consumer Attitudes, Atlantic (1991=100) | 125.0 | 123.0 | 1.6% | 118.4 | 120.5 | -1.7% |

Sources:
Bank of Canada
Conference Board of Canada Monthly Survey of Consumer Attitudes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